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CSD-0401
Copy 7 of 8

6 APR 1960

MEMORANDUM FOR : Deputy Director (Plans)

SUBJECT : Disposition of materials and residual under Contracts Nos. [redacted] and CONVAIR Corporations, Project OXCART

25X1

25X1

REFERENCE : Memorandum for the Record, CSAL-0942-60

1. This memorandum sets forth a recommendation submitted for concurrence of the Deputy Director (Plans). Such recommendation is contained in paragraph 5.

2. During the Contracting Officer's recent trip as described in the referenced memorandum, several questions were posed by the subject Contractors regarding disposition of residual under their OXCART contracts. Because of the high dollar value of this residual and the sum of money invested by the Agency in this program, it is felt that as a matter of policy this should be brought to your attention.

3. In the case of [redacted] the Contractor had generated a considerable amount of residual property consisting of:

25X1

a. Raw materials
b. Parts in process
c. Completed parts and components
d. Two complete ramjet engines
e. Tooling
f. Technical data

The Contractor, acting in accordance with previous instructions from the Contracting Officer (coordinated with Mr. Kiefer and the Development Branch), has disposed of by transfer to existing Government contracts in house, all usable common materials, parts and components. Appropriate credits have been made to our contract. Contractor expressed a desire to sanitize and retain technical data produced under the contract and has submitted a final report of the work accomplished in a "sterile" form. All peculiar materials, parts, components, the completed engines and tooling have been held in temporary storage pending a

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USAF review(s) completed.

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requirement by the Project or the Air Force for possible future use. The Contracting Officer has been advised by Mr. Kiefer that the Project has no further requirement for this material. Colonel H. Appold of the Air Force has advised that his organization has no known requirement. However, the "sterile" version of the final report is being made available to him for coordination with the Wright Air Development Center Power Plant Laboratory as a last resort. In the event the Air Force has no requirement, it is proposed that the Contractor be instructed to destroy and scrap all peculiar materials which are sensitive from a security standpoint. All other materials which may have a possible use on other Government work will be retained by the Contractor under Government property control procedures. The Contractor will certify that such material will be used at no cost on other Government contracts only. Your concurrence in this method of disposition is requested.

4. At CONVAIR, Fort Worth, the following types of material were generated under the contract and must be disposed of:

a. Electronic models
b. Wind tunnel models
c. Raw materials
d. Parts
e. Tools and fixtures
f. Facilities
g. Technical data

During the meeting with CONVAIR as mentioned in the referenced memorandum, the Contractor was given instructions as follows:

a. The Project would be responsible for all models and materials left at [redacted] 25X1

b. Pending approval of Project Headquarters, the Contractor could retain all wind tunnel models.

c. CONVAIR was to dispose of all materials, parts, tooling and fixtures of a non-sensitive nature by scrap or transfer to Government GFFP inventories for use on other Government contracts.

d. All electronic models and sensitive materials, parts and tooling were to be destroyed and scrapped, if possible.

e. CONVAIR was to furnish one copy of all reports generated under the contract and not heretofore submitted. Subject to Project Headquarters approval, Contractor desired to retain in a sanitized form all drawings and all design and technical data generated under the contract.

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f. CONVAIR had acquired and charged to the contract the facility type items on the attached list. Item 4 (Blue Print Machine) and two (2) each of Item 5 (Calculators) had been siphoned off to Perkin-Elmer for the OXCART program. However, Item 5 was too large to fit through their door and 25X1 is presently in the [redacted] CONVAIR is presently using all of the items under other Government contracts and requested that they be allowed to retain the remaining items. However, the list has been screened by LAC, P&W and Material Branch for use in the OXCART program. LAC has requested Item 2 (Ditto Machine) and four (4) each of Item 5 (Calculators). P&W has requested Item 1 (Brazing Vacuum Frame), the balance of Item 5 (Calculators) and Item 7 (Rotary Furnace). Material Branch has requested Item 6 (Motor Generators) for use at [redacted] 25X1 25X1 If these requests were honored this would leave only Item 3 (White Printer) at CONVAIR. This would be transferred to their Air Force Facility contract for accountability purposes and would be used only in the performance of Government contracts. It is proposed that appropriate elements of DPD review the above requests and approve or disapprove the requirement for transfer from CONVAIR of the facilities.

5. Based upon the foregoing, it is recommended that you grant approval for the Contracting Officer to make disposition of the residual inventories under the subject contracts as set forth above.

SIGNED

WILLIAM BURKS
Colonel, USAF
Acting Chief, DPD-ED/P

The recommendation contained in paragraph 5 is approved:

/s/ Jw GUS-8403
RICHARD M. BISSELL, JR.
Deputy Director (Plans)

22 Apr 60
Date

DPD-ED/[redacted] (8 Apr '60) 25X1
Distrib...
Cy 1 - CR/DPD (HL-4646)
2 - CR/DPD (JM-1946)
3 - ED/P
4 - A/CH/DPD
5 - CH/ED/DPD
6 - CH/MAE/DPD
7 - Finan/DPD
8 - HI/DPD

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CONCURRENCES:

SIGNED
[redacted] F. KIEFER
Special Assistant for
Technical Analysis

8 Oct 1960
Date

25X1 [redacted]
Chief, Development Br., DPD

8 Oct. 1960
Date

SIGNED
25X1 [redacted]
Chief, Material Branch, DPD

18/4/60
Date

[redacted]
25X1 Chief, Contracts Branch, DPD

4/8/60.
Date

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SEC. CL.	ORIGIN	CONTROL NO.
S	ED/P	GUS-0403-60

DATE OF DOC.	DATE REC'D	DATE OUT	SU[illegible]SE DATE	CROSS REFERENCE OR POINT OF FILING
22 Apr 60	25 Apr 60			

TO C/Contr THRU: AC/DPD
FROM ED/P
SUBJ. Disposition of Materials and Residual under Contracts NOs. [redacted] and CONVAIR Corporations, Project GUSTO

ROUTING	DATE SENT
AC/DPD	
Contr	

COURIER NO.	ANSWERED	NO REPLY		3

25X1A

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FORM NO. 238 REPLACES FO 35-1
1 MAY 56 WHICH IS OBSOLETE

DOCUMENT CONTROL (13-40

SEC. CL.	ORIGIN	CONTROL NO.
S	Contracts/DPD	DPD-4578-60

DATE OF DOC.	DATE REC'D	DATE OUT	SUSPENSE DATE	CROSS REFERENCE OR POINT OF FILING
6 Jun 60				

TO [redacted]NVAIR
FROM
SUBJ Negotiated Gen.Off. G&A rates for 1958
Distribution:
1 - [redacted]
1 - HL-4646 (Prop.Sec.)
1 - Finan/DPD
1 - AF Audit
1 - RI/DPD
DPD-DD/P [redacted]pf

ROUTING	DATE SENT

COURIER NO.	ANSWERED	NO REPLY	
			4

25X1
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FORM NO. 238 REPLACES FO 35-1
1 MAY 56 WHICH IS OBSOLETE

DOCUMENT CONTROL

SEC. CL.	ORIGIN	CONTROL NO.
S	Contracts/DPD	DPD-4578-60

DATE OF DOC.	DATE REC'D	DATE OUT	SUSPENSE DATE	CROSS REFERENCE OR POINT OF FILING
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1 - AF Audit
1 - RI/DPD
DPD-DD/S [redacted]pf

ROUTING	DATE SENT

COURIER NO.	ANSWERED	NO REPLY	
			5

25X1
25X1
25X1
25X1

FORM NO. 238 REPLACES FO 35-1
1 MAY 56 WHICH IS OBSOLETE

DOCUMENT CONTROL (13-4

SEC. CL.	ORIGIN	CONTROL NO.
S	Contracts/DPD	DPD-4578-60

DATE OF DOC.	DATE REC'D	DATE OUT	SUSPENSE DATE	CROSS REFERENCE OR POINT OF FILING
6 Jun 60				

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1 - AF Audit
1 - RI/DPD
DPD-DD/P [redacted]

ROUTING	DATE SENT

COURIER NO.	ANSWERED	NO REPLY	
			6

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This document contains information referring to Project [redacted]

Return this to

REFERRED TO OFFICE	[redacted]	RELEASED TIME	SEEN BY NAME AND OFFICE SYMBOL	DATE
Comp/DPD			25X1	
Circulate				

25X1 [redacted] So we have any of these indicated costs in the asset account? O

CLASSIFICATION
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FORM 12-57 1352 A

(40)